

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL MEMORANDUM**

**HB 772 – SB 997**

March 28, 2017

**SUMMARY OF ORIGINAL BILL:** Increases, from \$2,000,000 to \$3,000,000, the amount of capital stock and paid in surplus that a credit card state bank is required to maintain. Authorizes the Commissioner of the Department of Financial Institutions to increase the required amount.

FISCAL IMPACT OF ORIGINAL BILL:

NOT SIGNIFICANT

IMPACT TO COMMERCE OF ORIGINAL BILL:

NOT SIGNIFICANT

**SUMMARY OF AMENDMENT (005778):** Deletes all language of the original bill except the effective date. Increases, from 21 percent to 30 percent, the annual rate of interest that a bank is authorized to charge on extensions of credit made on credit card accounts.

**FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

Assumptions for the bill as amended:

- It is assumed that the state and local governments do not pay such interest; therefore, any fiscal impact is anticipated to be borne by individuals and private entities.
- Any impact on the Department of Financial Institutions is estimated to be not significant.

**IMPACT TO COMMERCE WITH PROPOSED AMENDMENT:**

**Unchanged from the original fiscal note.**

**HB 772 – SB 997**

Assumptions for the bill as amended:

- Some banks may experience an increase in interest revenue on extensions of credit; at the same time, some businesses may experience an increase in business expenditures for increased interest.
- Any net impact on commerce is estimated to be not significant.
- Any impact on jobs in Tennessee is estimated to be not significant.

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in dark ink that reads "Krista M. Lee". The signature is written in a cursive, flowing style.

Krista M. Lee, Executive Director

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